

## Cap and Trade: More Economic Harm Than Environmental Good

Why would we hit U.S. families with thousands of dollars in new taxes and U.S. companies with government mandates that will push more jobs to China and India?

The Obama Administration has called for comprehensive legislation to reduce greenhouse gases and address climate change, and House Democratic leaders appear willing to oblige. While many of us have varying opinions on whether global warming poses a threat, we should be able to agree that the solution being pushed, known as a "cap and trade" or "cap and tax" system, is the wrong solution for America.

A "cap and trade" system being introduced by some liberals would result in a tax on carbon emissions, which would drive up consumers' and businesses' energy bills. Anyone who flips on a light switch, turns up the thermostat, fills up the gas tank or purchases an American-made product will be forced to pay higher energy bills thanks to this new tax increase, and some estimates show that American families could pay as much as \$3,000 per year in higher energy prices. I do not believe that raising energy prices is the right answer at a time when the American people are hurting and the economy is in recession.

This measure imposes a national cap-and-tax regime that will tax every domestic energy producer for their carbon emissions—a tax which will inevitably be passed onto consumers. Independent researchers, The Congressional Budget Office (CBO), and the President all agree that this proposal will result in higher energy bills. A new federal renewable electricity standard, which would mandate energy producers to produce more of their energy from renewable sources despite this energy costs more to produce, will also likely cause electricity prices to spike.

President Obama included this proposal in his budget blueprint, which Congress is currently debating. He proposed adopting the "cap and trade" program where the government sets an arbitrary limit on emissions, but creates a new market for manufacturers going over their emission allotment to purchase "offsets."

Unfortunately, the damage this bill does to our economy doesn't stop with increasing taxes. The House Democratic Leadership is now trying to include language in their budget resolution that prevents Republicans or conservative Democrats from having any input on the proposal. Given some leaders stated preference for legislation that aggressively fights global warming regardless of how many jobs it eliminates here in the United States, this attempt to silence voices of reason should be of concern to all Americans.

American manufacturers could be forced out of business because of the unfair advantage new government regulations in this provision gives foreign companies. This will especially hurt businesses in states like Tennessee, where much of our electricity is coal-generated through the Tennessee Valley Authority (TVA), so consumers in our state will pay even more than the average American under this plan. If the people pushing this plan were seriously interested in reducing emissions and keeping American jobs here at home, they would be creating incentives for nuclear energy to be created because it does not produce greenhouse gases. Unfortunately, these supporters are pushing a narrow agenda aimed at preventing coal from being used as an energy source, illustrated most clearly by the fact that they will not allow TVA to count the nuclear or hydroelectric fuel they produce as an offset.

As my record as Mayor for Johnson City shows, I am a strong advocate for protecting our environment and I support conservation. But enacting misguided policies like the "cap and trade" system can have some serious ramifications on our already struggling economy. At a time when we are all suffering from tough economic times, we cannot afford to enact yet another tax as costly as this one.

The Majority has made it clear that their goal is to see this legislation passed through Congress before the Memorial Day District Work Period. I am very concerned this legislation will pass and further hurt the economy.